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SUMMARY DOCUMENT

Note prepared by the secretariat

1. This note contains the highlights and difficulties encountered in implementing the programme of work, as well as other relevant issues of the work of the Commission's subsidiary bodies since the forty-ninth session, and draws attention to those matters which require the consideration, action or decision of the Commission. It is intended to assist delegations in their review of the ECE programme activities and to direct them to the difficulties as well as to the points of excellence and innovation, in the programme of work, on which they will need to focus attention and give guidance to the subsidiary bodies and the secretariat for the coming year. Accordingly, this note has a specialized function and is not intended to replace the reports of the principal subsidiary bodies (PSBs), which should be consulted for greater detail on matters referred to herein.

2. This document is intended to provide background and substance, in a summary form, for the Programme and Coordination segment of the fiftieth Annual Session, which will consist of (1) a session relating to interaction between various aspects of the Commission's programme of work which lend themselves to cross-sectoral cooperation, a more efficient concentration of resources and more coordinated programme delivery and (2) a session on assistance to countries in transition and the role of regional groupings in a cooperation effort toward this end. To serve the purpose of the first session, an addendum to this document is being issued on cross-sectoral activities in the secretariat and, for the second session, a separate document has been prepared entitled "Cooperation and coordination of activities with other international organizations and institutions and subregional groupings" (E/ECE/1319).

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EXECUTIVE DIRECTION AND MANAGEMENT

3. With regard to policy and coordination of the work of the Commission as a whole, the Executive Secretary would like to draw the Commission's attention to the following areas of activity which extend beyond the basic subprogramme structure:

- ECE's contribution to global programmes (see E/ECE/1321)
- Strengthening of ECE's relationship with the OSCE (see E/ECE/1312)
- Strengthening cooperation with Mediterranean States (see E/ECE/1312)

4. Another important area of activity with regard to policy and coordination of the work of the Commission as a whole undertaken since the forty-ninth session is an initiative to strengthen the Commission's contacts with newly independent States. A workshop was held in December 1994 for the republics of the former USSR on the role and functions of the Commission. The workshop served not only to acquaint new ECE member States with the Commission's activities but also to help the secretariat itself better to identify and clarify the priorities and concerns of these countries in transition, for accommodation within the possibilities of ECE's mandate and resources.

5. The NIS workshop produced concrete and practical follow-up activities, in response to specific Government requests, involving the newly added resource of Regional Advisers. Multiple missions to assess already-identified project possibilities are projected for February to June 1995 to Armenia, Azerbaijan, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Republic of Moldova and Tajikistan.

6. In recognition of ECE's development of international legal instruments and its work in norms and standards in many areas, notably transport, environment, trade facilitation, industrial standardization and agriculture, a systematic assessment of the implementation and impact of such conventions, agreements, norms and standards on the process of regional economic integration will be launched in 1995, with special attention to countries in transition.

7. The secretariat would like, in addition, to underline four particular areas in need of special attention by the Commission, as presented by the Executive Secretary at the ad hoc informal meeting on 27 January 1995 (ECE/AC.20/95(1)/1), namely:

- Re-engineering of the ECE Working Party on Facilitation of International Trade Procedure (WP.4) (see TRADE/WP.4/R.1104)

- Redistribution of the Committee on Agriculture activities in the light of FAO restructuring

- Locus of the Energy Charter Protocol for hosting and servicing (see paragraph 103 below)

- Locus and servicing of a European Forum on Sustainable Industrial Development (see IND/AC.1/3 and paragraph 108 below)

8. Since the forty-ninth session, the Executive Secretary has embarked on an internal exercise within the secretariat intended to ensure maximum

responsiveness to the needs of the secretariat's clients and to maximize efficiency. This 'strategic planning' exercise began with a retreat for senior staff in May 1994 and has been followed up by a number of task forces on specific areas of management, involving staff at all levels. Some concrete proposals have already emerged which are leading to new practices geared to improving the secretariat's performance.

9. The information on ECE subprogrammes contained in this document falls into three parts: A. Highlights of activities of ECE Principal Subsidiary Bodies; B. Matters calling for special attention or action by the Commission; and C. Difficulties encountered.

A. HIGHLIGHTS OF ACTIVITIES OF ECE PRINCIPAL SUBSIDIARY BODIES

ENVIRONMENT (Sub-programme 01)

10. *Environment for Europe.* The Working Group of Senior Governmental Officials "Environment for Europe", the central coordinating body for the preparation of the Ministerial Conference to be held in Sofia (Bulgaria) in October 1995, held its second (1-3 June 1994) and third (1-3 November 1994) sessions. A provisional outline for the long-term Environmental Programme for Europe (EPE) was agreed upon and the preparation of draft texts on the EPE outline is under way for the consideration of the Working Group at its fourth session (13-15 February 1995). At this meeting, the Working Group is expected to decide on the draft Sofia Conference agenda and to discuss a preliminary outline for the draft Ministerial Declaration. Substantive topics, such as soil degradation and desertification, transboundary waters, sustainable consumption and production patterns, employment and environment, and industry and environment, are under discussion for possible consideration at the Sofia Conference. As a number of Governments and organizations have provided or pledged to provide financial support to the host country, only a limited amount is still necessary to cover the financing of the Conference.

11. *Environmental Performance Reviews.* The Committee took note of the outcome of the Workshop on Environmental Performance Reviews (Geneva, May 1994), organized in cooperation with the Organisation for Economic Cooperation and Development (OECD), and decided to undertake in 1994-1996, subject to the availability of extrabudgetary resources, a pilot ECE review of Estonia; the Committee invited delegations to make voluntary contributions for that purpose. At its special session, the Committee took note of the outcome of the pre-mission to Estonia and the willingness of the Czech Republic, Finland, France, Germany and Ukraine to take part in the review. Finland, France, Germany, Netherlands, Norway and Sweden expressed their willingness to make financial contributions. The Committee also decided to consider the issue of the transfer of responsibility for the pilot reviews from OECD to ECE, including resource implications and the peer review mechanism for the Estonia pilot review, at its second session in May 1995. It reaffirmed the need to strengthen the capacity of the ECE secretariat for environmental performance reviews.

12. *The Convention on Long-range Transboundary Air Pollution: New Protocol.* Within the framework of the Convention on Long-range Transboundary Air Pollution, the Executive Body, at a special session at ministerial level, adopted on 14 June 1994 a new Protocol on Further Reduction of Sulphur Emissions, based on the concept of critical loads and cost-effectiveness. The

Protocol follows the first, successfully implemented 1985 Protocol on the Reduction of Sulphur Emissions or their Transboundary Fluxes by at least 30%.

13. *The Convention on Long-range Transboundary Air Pollution: Two new subsidiary bodies.* At its twelfth session the Executive Body, while reiterating that the highest priority should be given to the development of a strategy for the second step to the Protocol concerning the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes, established two new subsidiary bodies to prepare for protocols on persistent organic pollutants and heavy metals, respectively. It also approved for publication the major review of strategies and policies of Parties for the abatement of air pollution.

14. *Progress in Convention implementation.* Progress was made in 1994 in the implementation of the 1991 Convention on Environmental Impact Assessment in a Transboundary Context, the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes and the 1992 Convention on the Transboundary Effects of Industrial Accidents.

15. *Convention on Industrial Accidents: Establishment of Regional Coordinating Centres.* Two ECE Regional Coordinating Centres have been established - one in Budapest on the prevention of industrial accidents and one in Warsaw on industrial accident training and exercises, to enhance the capacity of countries, in particular those in transition, to prevent, prepare for and respond to industrial accidents under the Convention on the Transboundary Effects of Industrial Accidents. In order to coordinate their functions and assist in attracting resources to support relevant activities, the third Meeting of the Signatories to the Convention in March 1994 set up a Steering Group for Regional Accident Centres.

16. *Regional Adviser to assist with convention ratification and implementation.* A Regional Adviser specialized in environmental protection and management services has been appointed to advise countries in transition on how to identify environmental problems and find solutions and, in particular, to facilitate and assist in the process of ratifying, or acceding to, the three recent environmental conventions.

TRANSPORT (Sub-programme 02)

17. *Inland Transport Committee: major issues.* The fifty-seventh session of the Inland Transport Committee met from 16 to 20 January 1995. The main items dealt with included the analysis of the transport situation and emerging development trends in the ECE region, the follow-up to the second Pan-European Transport Conference, the review of the preparatory work for the 1996 Regional Conference on Transport and the Environment, assistance to countries in transition and the consideration of the work of the subsidiary bodies of the Committee, which mainly concerned the updating or revision of agreements and conventions as well as other work on areas such as transport infrastructure networks, safety and environmental requirements for road vehicles, road safety regulations and activities, provisions for the safe carriage of dangerous goods, requirements for the efficient development of combined transport and harmonized border crossing procedures.

18. *Analysis of the transport situation and trends.* In reviewing the transport situation and major development trends, the Committee noted, in

particular, measures taken by Governments to improve transport safety and environmental performance and to place their transport systems increasingly under market conditions. In this connection, the Committee noted the endeavours made by Governments of central and eastern European countries to privatize State transport enterprises and to set up a regulatory framework within which market forces and competition can develop. As regards infrastructure, the most marked developments were considered to be the entry into service of the Channel Tunnel in the West and the continuing financial constraints undergone in the East. The difficulties faced in the implementation of the TIR Convention were noted and steps were taken to initiate its revision.

19. *Second Pan-European Transport Conference.* The results of the second Pan-European Transport Conference, which took place in Crete from 14 to 16 March 1994, were reviewed and positively assessed. A specific, programme related, follow-up action was decided, which address the following main issues: further development of the infrastructure networks contained in the AGR, AGC and AGTCV agreements, completion of the AGN, development of infrastructure parameters at border crossings, and revision of the TIR Convention.

20. *Regional Conference on Transport and the Environment.* The work of the Preparatory Committee for the 1996 Regional Conference on Transport and Environment was reviewed and assessed positively. An increased participation of central and east European countries and NGOs in the field of transport was, however, considered necessary.

21. *Assistance to CITs.* The Committee requested all its subsidiary bodies to intensify their work on subjects of special interest to these countries. An ad hoc meeting will be organized from 26 to 28 June 1995 to consider ways and forms of rendering assistance to countries of central and eastern Europe. The result of this work should be the elaboration of a programme of action aimed at assistance to countries in transition which should include, inter alia: the organization of workshops and particular studies of interest to those countries; expert evaluation of their new transport legislation relating to transition of their transport industry to market economy, and training of personnel. Also a round table discussion on assistance to economies in transition will take place during the fifty-eighth session of the Committee in 1996.

22. *Growing participation in TEM and TER.* The TEM and TER Projects continued their adaptation to the new political and economic realities in central and eastern Europe, taking into account also the present financial constraints. The number of Governments participating in the projects increased. The importance of the projects for the development of road, rail and combined transport infrastructure in central and eastern Europe, especially in the light of the results of the Crete Conference, was underlined.

23. *Legal instruments increasingly applied.* Two new ECE legal instruments in the field of transport were finalized in the last twelve months, bringing the total number of ECE agreements and conventions in this field to fifty. The number of Contracting Parties to these agreements and conventions continued also to increase: in 1994 a total number of twenty-four States, of which one a non-ECE State, became Contracting Parties to one or more ECE legal instruments. The increase in the number of Contracting Parties concerned a total of twenty-six legal instruments. Most of the new Contracting Parties

were countries from the central and eastern parts of Europe, including newly independent ECE Asian member countries. Noting the importance of the ECE legal instruments for the achievement of a coherent efficient transport system in the ECE region, the Committee invited Governments who had not yet done so to become Contracting Parties to these international legal instruments.

24. *Criteria for the identification of infrastructural bottlenecks and missing links.* A report was finalized on the methodological basis for the definition of bottlenecks, missing links and quality of service of infrastructure networks. The report will be used for the identification of priority investment projects in central and eastern Europe undertaken by the EU in the framework of the G24 transport group. The report will be followed up by work on design and selection of regulatory and infrastructural measures to improve the transport situation.

25. *Mediterranean.* The Committee decided that greater importance should, in future, be attached to the Mediterranean transport problems in the realm of its competence.

26. *Road transport and infrastructures: revision and extension of AGR.* The AGR Agreement is being revised to align the international road network defined therein, the E road network, with the new political and economic realities in the region. The revision concerns particularly the inclusion of new road links in the eastern parts of Europe. A further extension of the E road network to incorporate the international road links of the new Asian States of the former USSR was also decided. This will facilitate the integration of these countries into the European and world economies.

27. *Road transport and infrastructures: Environmental standards in international road transport.* The establishment of environmental standards in international road traffic, e.g. in the Vienna Convention, will be considered by the Committee's subsidiary bodies concerned so that an appropriate technical and legal solution which also takes into account the problems of some central and eastern European countries can be proposed to the next Committee session.

28. *Road transport and infrastructures: Second Road Safety Week.* The second Road Safety Week in the ECE region, considered as an important instrument for reducing the number and gravity of accidents involving young road users, will be held from 27 March to 2 April 1995. Governments were invited to make every effort to ensure that campaigns waged within the second Road Safety Week might be as effective as possible and to ensure the fullest involvement in the campaign of mass media and organizations concerned. Governments were invited to make this week one of the events to celebrate the fiftieth anniversary of the United Nations.

29. *Road transport and infrastructures: The 1958 Agreement amended.* The safety and environmental regulatory system developed in the framework of the 1958 Agreement Concerning the Adoption of Uniform Conditions of Approval and Reciprocal Recognition of Approval for Motor Vehicle Equipment and Parts reached 94 Regulations and continued to be updated in 1994. Seven new draft Regulations and thirty amendments to the existing ones, designed to enhance the performance of road vehicles with regard to safety, protection of the environment and energy conservation were adopted. The 1958 Agreement itself was also amended to adapt it to the new needs, streamline the administrative

procedures, improve efficiency of work by introducing majority rules and globalize it by allowing the accession of countries using different approval procedures.

30. *ADR revised; restructuring underway.* In the field of the transport of dangerous goods a new revised edition of ADR was produced. The European Union adopted Directive EC/94/55 establishing that as from 1997 the provisions applicable for the transport of dangerous goods by road in all countries of the EU, including domestic transport, will be those of Annexes A and B of ADR. These annexes are being restructured to facilitate their implementation in international transport but also through national legislation. Activities are also being carried out with a view to keeping ADR and RID (Regulations concerning the International Carriage of Dangerous Goods by Rail) harmonized with the UN Recommendations on the Transport of Dangerous Goods and to preparing new amendments for entry into force in 1997.

31. *AGN: nearer to completion.* In the area on inland water transport, the elaboration of a draft European Agreement on Main Inland Waterways of International Importance (AGN) entered into its final stage. The final draft text may be completed this year and considered by the Committee at its next session in 1996. A map of European inland waterways was published which for the first time covers the whole European continent and is based on the new classification of inland waterways adopted by the Committee. A White Paper on Trends in and Development of Inland Navigation and its Infrastructure is being prepared with a view to further promoting this mode of transport.

32. *TIR Convention to be revised.* To avoid the disruption of the TIR transit system for which no viable alternative exists for most east-west European road traffic, short-term measures had been recently taken, including the setting up of an informal TIR Contact Group bringing together Customs authorities, investigation departments and other partners. In addition, it was decided that work should be initiated on an urgent revision of the TIR Convention to provide for stable long-term solutions in this field.

33. *1995 Road Traffic Census.* Eighteen countries were reported to have adopted ECE Resolution No. 242 to carry out the 1995 Census of Motor Traffic on Main International Traffic Arteries in Europe (E Road Census). Governments who had not already done so were encouraged to adopt the resolution.

34. *Rail transport and infrastructure: Harmonization of legal regimes for international rail transport.* Problems created by the existence of two different legal regimes for international rail transport, both passengers and freight, in Europe were brought to the Committee's attention. They will be examined with a view to the removal of the differences.

35. *Study on coastal shipping.* A study has been prepared on the role of coastal shipping as an alternative to land transport in Europe, containing policy options and concrete measures to improve its functioning for combined transport operations.

STATISTICS (Sub-programme 03)

36. *Conference of European Statisticians held in Paris.* The Conference of European Statisticians at its forty-second plenary session in June 1994 further enhanced its role as the principal forum for the coordination of

official statistical work throughout Europe and North America. The fact that it was held at OECD in Paris underlines the close links now forged between the ECE and OECD.

37. *Integrated statistical work programmes.* The previous plenary session in June 1993 was the first which had before it an integrated presentation of the statistical programmes of ECE, OECD and Eurostat (the Statistical Office of the European Communities). At the 1994 session the joint presentation also included the statistical work of all major international organizations active in Europe including the IMF, the World Bank and others. The joint presentation is a highly integrated one with common goals so that coordination and collaboration is very much enhanced.

38. *ECE/UNDP regional statistical project.* Changes at UNDP have delayed the planned joint statistical project. However, the net result of the changes is that the ECE will now be the sole executing agency and the project is intended to enhance the statistical capabilities of the national statistical institutes of countries in transition across the region.

39. *Publications developments.* The wide range of ECE statistical publications has now been thoroughly reviewed and generally improved, or discontinued where there appeared to be insufficient interest or value or where the data were largely being published also by other organizations. On the other hand an obvious gap in the range of ECE publications was the lack of any comprehensive statistical guide to our member countries. A new statistical yearbook has therefore been introduced entitled "Trends in Europe and North America". The new publication provides a statistical profile of all 55 member countries, together with comparative data on economic and social life in the region. Similarly, with the help of Statistics Sweden, Eurostat and INSTRAW, the ECE will publish a volume of gender-specific statistics during 1995 to coincide with the Beijing Conference.

40. *Regional Adviser boosts assistance to CITs.* The appointment of a Regional Adviser in May 1994, who is an expert in macro-economic statistics and national accounts, has made a significant difference to the amount of assistance which ECE can give in statistics to countries in transition. The new adviser is working closely with similar experts in other international organizations who are also involved in providing technical assistance in our region.

TRADE FACILITATION (sub-programme 04)

41. *Development of documents, procedures and 'messages'.* The Working Party on Facilitation of International Trade Procedures has made considerable progress in trade facilitation-related documents, procedures and the development of UN/EDIFACT messages for Electronic Data Interchange.

42. *EDIFACT directories.* In the area of data elements and automatic data interchange, the development of UN/EDIFACT has continued at a fast pace. During its fortieth session, the Working Party approved the UN/EDIFACT D.94A and D.94B directories (draft directories).

43. *Development models.* Utilizing modern software tools, an ad hoc group is working with the development models for international trade transactions. These models should dynamically reflect changes and developments in trade

procedures, and identify those areas where UN/EDIFACT messages could be used. This work is believed to be of particular benefit for countries in transition.

44. *Trade Facilitation and transport.*: The Working Party has started a revision of its Recommendations, including REC. Nr. 11 on the documentary aspects of the international transport of dangerous goods, and REC. Nr. 16 LOCODE. Proposals for Recommendations concerning new procedures in general and specifically those for transport are also under preparation.

45. *EDICORE.* The Working Party has supported and approved the development of a public support database, EDICORE, implemented on the International Telecommunication Union's (ITU) ITUDOC auto-answering mailbox system. The database contains Trade Facilitation documentation and UN/EDIFACT. It has proved very useful and makes parliamentary documentation available to delegations as soon as it is received by the secretariat.

46. *Regional Adviser appointed.* A Regional Adviser has been assigned to provide technical and administrative support for trade facilitation in countries in transition. Since assuming his duties in June 1994, the Regional Adviser has visited a number of transition economies to assess their "international trade infrastructure" and identify needs to which WP.4 could respond. Emphasis is placed on strengthening financial support for national trade facilitation organizations or encouraging their establishment. Specific actions have been taken to improve the integration of WP.4's recommendations and standards into the technical assistance provided by other institutions, as well as to develop educational materials on trade facilitation and EDI relevant to transition economies.

47. *Seminar for CITs.* A seminar on trade facilitation and countries in transition was organized by the Regional Adviser in connection with the fortieth session of the Working Party.

ECONOMIC ANALYSIS (Subprogramme 05)

48. *Major topics of thirtieth session.* The Senior Economic Advisers (SEA) at their thirtieth session in June 1994 focused on the two topics selected by the Bureau, namely (a) restructuring of State-owned enterprises, investment and prospects for recovery in transition economies, and (b) international economic relations in the ECE region in the light of the Uruguay Round outcome. A round-table was organized at the annual session to which outside experts were invited to discuss one of these topics. The Bureau has prepared under its responsibility a summary (issued in addendum to the report of the session) of the main points and major findings emerging from the discussions.

49. *Focus on CITs.* In response to decisions 0 (45) and B (46), more than 80% of the time of the Division for Economic Analysis and Projections is now devoted to the analysis of the economies in transition, economic reforms and related policy issues. This new emphasis is reflected in the Economic Survey of Europe and the Economic Bulletin for Europe, both of which contain an increased coverage of economic and policy developments in the economies in transition. The inclusion in both these publications of an opening chapter dealing with major policy issues has provided a focus for discussion of current issues at sessions of the SEA, the Committee on the Development of Trade and the annual sessions of the Commission. They also contain a number of analyses of special topics concerning the transition process. The economic

analysis prepared for these two publications has also been used by other ECE divisions in the preparation of their annual reports and other publications for their respective PSBs.

50. *Closer interaction between the secretariat and SEA.* ECE's work in the area of economic analysis has considerably benefited from closer interaction than in the past between the secretariat and the SEA. Owing to the new timing of their annual session (June rather than February), the SEA are now regularly supplied with the main findings of the Survey in due time, affording them an opportunity to suggest items that should be highlighted in subsequent issues of the publication. The SEA receive a similarly condensed overview of major developments and policy issues based on the Economic Bulletin for Europe, which assists them in their own work and keeps them abreast of ECE analysis between the annual sessions.

51. *Population research.* The Division for Economic Analysis and Projections is also continuing to implement its four-year, UNFPA-supported population research projects in the following areas: international migration, elderly populations, fertility and family surveys, and population-related policies.

52. *Population Conference follow-up.* The Executive Secretary, addressed the plenary session of the International Conference for Population and Development (ICPD), (Cairo, September 1994) and met with representatives of countries in transition and those of OECD donor governments. Countries in transition were assisted by the ECE delegation in the preparation of a six-month, immediate post-Cairo follow-up plan, which is now being implemented by these countries in collaboration with the ECE secretariat. This follow-up is in response to the ICPD's call to the international community to provide appropriate assistance to population and development programmes in countries in transition, in view of the difficulties they currently face.

ENERGY (Sub-programme 06)

53. *Streamlining of the Programme of Work.* Efforts are continuing to streamline the programme of work of energy working parties and expert group meetings dealing with issues related to specific energy fuels, so as to ensure the necessary interaction among its three working parties, expert group meetings and workshops dealing with specific issues related to energy resources, such as coal and gas. Emphasis is being placed on integrated energy policy, assistance to economies in transition and interaction with other programmes within ECE, such as environment, and with United Nations and other institutions active in the region.

54. *Working Party on Coal.* The Committee on Energy at its fourth session endorsed the recommendations made by the Working Party on Coal to the Governments of the countries in transition particularly to provide political and financial support for coal industry restructuring; to create urgently the legal conditions and economic incentives for privatizing coal enterprises; and to accelerate further the establishment of environmental legislation/regulations and mining laws for the future development, transportation and use of coal as well as international coal trade. It was underlined that all countries in the region should pursue coal industry restructuring, including government financing of the closure of uneconomic mines. It was suggested that, to this end, regional reconversion programmes could be developed, aiming at the diversification of the industrial

infrastructure of the region. The work programme was fully adapted to the new requirements of the reforms, expanding the application of clean coal technologies. In this regard, an innovative programme "Implementation Programme of Accelerating Clean Coal Technology" (IMPACCT) has been approved to facilitate the financing and commercialization of viable clean coal projects in central and eastern Europe. The secretariat was requested to explore ways to provide support for this project.

55. *Working Party on Electric Power: Symposium on European/Asian/African interconnections approved.* The Committee approved the programme activities set out by the Working Party on Electric Power concerning the development of environmentally friendly coal-fired power stations and possibilities of retrofitting and repowering coal-fired power plants in the light of the development of clean combustion technologies. The importance of the principal programme activity on international interconnection of European power systems was particularly underlined. At its fourth session, the Working Party on Electric Power approved the organization of a Symposium on "Development of European Electric Power Systems and its Interconnections with Grids in Asia and Africa". The Committee invited the Working Parties on Coal and Electric Power to cooperate closely in their activities on clean coal technologies.

56. *Working Party on Gas: Gas Centre approved.* The Committee underlined the importance of the programme activities carried out by the Working Party on Gas related to economic reforms and the restructuring of the gas industry in economies in transition; natural gas and the environment; interconnections and extensions of gas networks in Europe and rational use of gas. Efforts were made to enhance and structure the work carried out by its meetings of experts. In response to the needs of countries with economies in transition which have gas markets, the Working Party on Gas decided at its fourth session to establish the technical cooperation programme "Promotion and Development of a Market-based Gas Industry in Economies in Transition" (Gas Centre). The Centre's main focus will be to enhance cooperation, coordination and exchange of information and knowledge between governments and interested institutions and enterprises, both public and private, on the development and implementation of market-based policies, processes, instruments and principles in the gas industry, concentrating on policy and price issues of the transition, including restructuring and privatization. A Trust Fund to administer the programme was established in July 1994 with actual transfers of US$ 260,000. The first training event under the programme was held in September 1994 in Hungary. Other seminars and on-site technical visits are scheduled for 1995. An Interim Advisory Board was set up to assist in the implementation of the preliminary programme of work including its future development.

57. *Energy efficiency: demonstration zones report endorsed.* The work related to energy efficiency continues to be an important policy priority for both energy and environment. In accordance with the first phase of the Energy Efficiency 2000 programme, all outputs and other results were implemented to specifications and on schedule. The Committee endorsed the report concerning Energy Efficiency Demonstration Zones and noted with appreciation the additional results, conclusions and recommendations of the three ad hoc meetings and symposia held within the framework of the Project since the last session of the Committee. The Committee urged interested member States to honour their pledges to the project Trust Fund for 1994. Efforts were made to

secure preparatory assistance to economies in transition related to the programme submitted to Global Environmental Facility (GEF) for financing.

58. *Global Energy Efficiency 21.* In order to propagate the programme related to Energy Efficiency to other regions, in cooperation with the regional commissions, the secretariat will convene the first Steering Committee meeting, possibly in cooperation with the Department for Development Support and Management Services (DDSMS) during 1995, pending the availability of resources.

59. *New and renewable energy resources.* The newly launched activities on new and renewable energy resources (RSEs) were reviewed and it was decided to continue promoting international cooperation for the advancement of RSE in the ECE region, in close cooperation with governments and international organizations active in this field. The work is to be focused on those sources which have demonstrated market potential. The Committee also recommended increasing interaction between the various subsidiary bodies of the Commission for promoting economically viable RSEs.

60. *Workshops and other forms of technical assistance.* The enhanced outreach of the Energy Division was continued since the last session of the Committee through advisory services, technical cooperation programmes and the organization of six workshops on coal, gas and electric power with the participation of about 500 persons from 25 countries. The Committee requested the secretariat to continue supporting workshops, within available resources, noting with gratitude that some financial assistance had been granted. Market economies, NGOs and businesses have been encouraged to participate in the workshops as a means of facilitating transition and cooperation.

61. *Regional Adviser.* A Regional Adviser on Energy has been appointed to identify areas for technical cooperation with counterparts in the economies in transition, to advise on the preparation of projects and to assist in successfully identifying technical assistance and investment finance for projects in the energy field.

62. *Priorities established.* The Committee decided to give priority to its programme areas on "Energy Reforms in Central and Eastern Europe"; "Rational Use of Energy, Efficiency, Conservation"; and "Energy Trade, Trade Facilitation and Infrastructure".

DEVELOPMENT OF INTERNATIONAL TRADE (Sub-programme 07)

63. *Trade and Investment with special reference to CITs.* At its forty-third session in December 1994, the Committee on the Development of Trade considered trade policy issues in the region with special reference to problems experienced by the countries in transition, based on a number of discussion papers, in particular the study on the impact of foreign direct investment on the trade of countries in transition. Delegates participated actively in the dialogue on ways and means of promoting expansion of trade of the countries in transition, as requested in decision C (49). The secretariat has prepared the study called for in that decision (E/ECE/1311 and Adds 1 and 2).

64. *Round-tables on trade and investment topics.* A round-table discussion on the impact of the positive conclusion of the Uruguay Round, based on a background document prepared by the secretariat on intraregional trade, gave

particular emphasis to the trade of the countries in transition. The theme selected for a round-table during the next session of the Committee is: "Ways of financing trade and investment in the economies in transition".

65. *Seminar on real property transactions in central and eastern Europe.* During the forty-third session of the Working Party on International Contract Practices in Industry (WP.5) in September 1994, a seminar was held on the problems surrounding real property transactions involving foreign and domestic investors in central and eastern Europe.

66. *Working Party on International Contract Practices in Industry (WP.5).* The Committee expressed strong support for the activities of WP.5, noting with satisfaction the growing role of the representatives of the private sector in the countries in transition in the activities of the Working Party. The Guide on the adaptation of property laws in the countries of central and eastern Europe was submitted to the Committee.

67. *Study on financing trade and investment in CITs.* The Committee requested the secretariat to prepare a study for its forty-fourth session on ways of financing trade and investment in the economies in transition.

68. *Creation of models of legal instruments for CITs.* WP.5 has prepared a draft Guide with the provisional title: Guide on the adaptation of real property law of countries in transition, including questions of ownership, valuation, security and restitution, property management and brokerage.

INDUSTRY AND TECHNOLOGY (Sub-programme 08)

69. *Depositary of statistical indicators for CITs.* The twenty-first session of the Senior Advisers to ECE Governments on Science and Technology (SAST), held in September 1994, decided to continue its work aimed at collecting main science and technology indicator statistics for the economies in transition. The Senior Advisers also decided to publish the latest summary submissions to the inventory of existing safety guidelines in biotechnology. To date the secretariat, acting as depositary, has in its possession national submissions from 30 ECE Governments and three international organizations.

70. *New activity on sustainable development in CITs.* The Senior Advisers included in their programme of work a new activity entitled "Role of science and technology in securing sustainable development in the economies in transition". Under this activity, three events are scheduled to take place: a second Workshop on Industrial Policies to be held in Budapest in autumn 1995, a Seminar on the Reorganization of Science and Technology Management to be held in the Russian Federation in 1996, and a Seminar on Policies Aimed at Promoting Innovation in Industry to be held in Poland at a date to be determined.

71. *Working Party on the Chemical Industry: future of CHEMISEED; chemical clean-up pilot project; comparative study of chemical legislation; Regional Environmental Management Centre.* At its fourth session in October 1994 the Working Party evaluated the progress made and future action to be taken in the regional programme "Chemical Industry - Sustainable Economic and Ecological Development" (CHEMISEED). The Working Party supported further work on the pilot project demonstrating the environmental clean-up of selected sites polluted by chemicals, as well as the comparative study of chemical

legislation in ECE member countries. It reaffirmed its interest in the establishment in Poland of a Regional Environmental Management Centre for the Chemical Industry.

72. *Seminars on chemical industry.* A Seminar on Low- and Non-waste Process Technologies in the Chemical Industries will take place in Moscow in September 1995. A Seminar on Innovative Membrane Technologies will take place in 1996.

73. *Statistical analysis in chemical industry.* The Working Party supported the work on further improving the statistical analysis of chemical products and the harmonization of data. Following the success of the Directory of Chemical Producers and Products, work had started on a study on trends in structural and ownership changes in the chemical industries of the economies in transition.

74. *Round-table discussions on sustainable development in the chemical industry.* Regular round-table discussions on selected economic issues and sustainable development in the chemical industry were also organized during the annual session of the Working Party.

75. *Working Party on Engineering Industries and Automation: focus on economic analysis, statistics, environmental protection, assistance to CITs:* The thirteenth session of the Working Party was held from 31 October to 2 November 1994. Seven activities in the programme of work focus on priority issues of the Commission, namely economic analysis and statistics, environmental protection and assistance to economies in transition.

76. *Expert group on robotics established.* As a follow-up to a workshop on industrial robotics held in Budapest in September 1994 and the annual publication on robot statistics, an open-ended working group of experts on robotics was established.

77. *Contribution to World Social Summit 1995.* A review publication on Rehabilitation Engineering was prepared for the World Summit for Social Development (Copenhagen, March 1995).

78. *Statistical analysis in Engineering Industries and Automation.* The sixteenth Meeting on Questions of Statistics concerning Engineering Industries and Automation was held in conjunction with the PRODCOM Seminar in November 1994. It supported the publication of World Engineering Industries and Automation: Performance and Prospects, 1993-1995, and decided to organize another statistical Seminar in 1995.

79. *European Forum on Sustainable Industrial Development.* In response to decision A (49), a Meeting of Experts to consider proposals to convene a possible European Forum on Sustainable Industrial Development was held in November 1994 (report IND/AC.1/2). The meeting recommended that the secretariat prepare an analytical document (IND/AC.1/3), taking stock of current activities in the field of sustainable industrial development, the added value which ECE could contribute in this field, and a list of priority issues of common interest to all member countries, for consideration at the possible Forum, so that a final decision on the convening of the Forum on identified priority issues could be taken at the fiftieth session of the Commission.

80. *Working Party on Standardization Policies: focus on assistance to CITs.* At its fourth meeting in May 1994 the Working Party reviewed developments in the fields of coordination, harmonization, conformity assessment and metrology at the international, regional and national levels and paid particular attention to assistance to the countries in transition with a view to adapting existing structures to market conditions and to assisting newly independent States to build adequate institutions.

81. *Workshops and seminars.* Workshops on conformity assessment were held in Budapest (Hungary) and Minsk (Belarus) in December 1994. At a meeting of Office-Bearers, Coordinators and Rapporteurs held in Paris in September 1994, agreement was reached on the provisional programme for a training seminar on industrial and legal metrology for countries in transition to be held in March 1995.

82. *Working Party on Steel: four main areas of activity agreed.* At its fourth session in October 1994, the Working Party on Steel confirmed the orientation of its work in four main areas of activity: the management of the evolution of the steel industry; the collection and analysis of statistics; the restructuring of the steel sector in countries in transition; and the protection of the environment. It placed particular emphasis on the last two areas and emphasized the importance of the new regional programme on Metallurgy and Ecology, the aim of which was to encourage sustainable development in the steel industry.

83. *Seminars on steel industry.* The Working Party approved the organization in Hungary in 1996 of a Seminar on Processing, Utilization and Disposal of Waste in the Steel Industry, and the elaboration of a bibliography of environmental publications in the steel sector. It decided to organize a Seminar on Privatization and Structural Changes in the Steel Industry in Countries in Transition in 1997 and to launch a study on restructuring and changing ownership in the steel industry. Delegations strongly supported efforts made to improve the collection and dissemination of statistics since they were the basis of all substantive work.

AGRICULTURE AND TIMBER (Sub-programme 09)

84. *Focus of forty-fifth session.* The forty-fifth session of the Committee on Agriculture took place from 16 to 19 May 1994. The main substantive topic was the review of the role of farmers and professional organizations in the elaboration and implementation of agricultural policies in the region, with special emphasis on countries in transition. The main topic selected for the up-coming forty-sixth session of the Committee is the institutions and policies related to agricultural markets and their impact on regional trade.

85. *Resolution on ECE/FAO cooperation.* The Committee adopted a resolution on "Cooperation between UN/ECE and FAO in the Field of Agriculture in Europe", appealing to the FAO Council to ensure that the review of programmes, structures and policies of FAO should not impede the existing capacity of the Joint FAO/ECE Agriculture and Timber Division in Geneva to service the Committee on Agriculture. Since that time, FAO has taken decisions on the redeployment of its staff presently in the Joint Division and held consultations with ECE on future arrangements for cooperation, the implications of which are examined in the following sections B, C and D.

86. *Codex Alimentarius.* Discussions are under way with the FAO/WHO Secretariat of the Codex Alimentarius Commission on coordination of activities in the field of commercial quality standards for international trade of fresh fruits and vegetables.

87. *Workshops on Agriculture.* Workshops for countries in transition covered the topics of standards and quality control for agricultural and food produce; environmentally sound agriculture; and agricultural statistics.

88. *Timber Committee focus on UNCED and Helsinki follow-up.* The Timber Committee held its fifty-second session from 10 to 13 October 1994. It reaffirmed highest priority to activities which contribute to the follow-up to UNCED and to the Helsinki Ministerial Conference on the protection of Forests in Europe. In addition to regular activities such as statistics and the timber market review, it examined in depth the activities of its teams of specialists and adopted a General Statement of Obligations and a proforma mandate which should guide the teams in their work.

89. *ECE secretariat as International Coordinator for Helsinki Resolution H3.* The Committee approved the role of the secretariat as the International Coordinator in monitoring the implementation of the Helsinki Conference Resolution H3 on Forestry Cooperation with Countries with Economies in Transition, which is integrated with the review of the activities of the Timber Committee for assistance to countries in transition.

90. *Timber publications.* Preparation proceeded for the fifth European Timber Trends study with publication expected in 1996; and a decision was made to initiate work on the issue of certification of forest products, on the outlook for non-wood goods and services of the forest, and on the preparation of the next forest resource assessment (2000).

91. *Workshops on Timber.* Workshops for countries in transition covered the valuation of all goods and services from the forest; the impact of climatic change; the issues of forest management in forest areas contaminated by radiation; and the marketing of sawnwood products.

HUMAN SETTLEMENTS (Sub-programme 10)

92. *Habitat II: follow-up task force and Prepcom II.* Pursuant to decision I (49) the Regional Preparatory Meeting for the United Nations Conference on Human Settlements (Habitat II) was held on 12 September 1994. As a follow-up to the Regional Preparatory Meeting, the Committee on Human Settlements established a task force to assist the Committee in carrying out the preparatory work. The Committee agreed that its contribution to Habitat II will be based on its ongoing work e.g. guidelines for sustainable human settlements planning and management, guidelines on land administration, strategies for implementing renewal and modernization policies and country profiles on the housing sector. An analytical report "Towards sustainable human settlements development in the ECE region" will be also prepared and its draft will be submitted to the Habitat II Prepcom II.

93. *Workshops and informal consultations.* For 1995, 12 workshops have been announced by various ECE countries, basically on transition issues, which is a reflection of the importance of the human settlements issues for countries in

transition. However, to maximize secretariat resources, the topics for workshops will be aligned with those of the priority projects of the Committee's programme of work.

94. *Country profiles and Habitat II.* The Committee agreed to carry out the project on country profiles on the housing sector of the ECE countries, with special reference to countries in transition, and the preparatory process for Habitat II. The objective of the project is to analyse the housing sector as a key part of the national economy to help national authorities in countries in transition in formulating sound housing policies and to support investment decisions of national and international financial institutions and private investors. The first two country profiles will be implemented in Bulgaria and in Poland. By June 1996 (Habitat II), it is planned to carry out this project in three ECE countries. Delegations of Belarus, Romania and the Russian Federation indicated their interest in carrying out the project in their countries. The delegations of Germany, Netherlands, Norway and Sweden supported the project by contributions to the Trust Fund on Human Settlements or "in kind".

95. *Workshops task force on guidelines.* A number of workshops on cadastre and land registration systems and the work of the task force on guidelines on land administration revealed a strong interest among the ECE member States in this field and a recommendation was made to the Committee on Human Settlements to strengthen its activities in this area. Promotion of cadastre activities is essential for the privatization process in countries in transition and could be beneficial for other activities in the ECE, including its priority areas, since there is a strong cross-sectoral component. Work is also continuing on the preparation of guidelines on sustainable human settlements planning and management and on strategies to implement human settlements policies on renewal and housing modernization. Task forces composed of national experts meet regularly to carry out this work.

B. MATTERS CALLING FOR SPECIAL ATTENTION OR ACTION BY THE COMMISSION

ENVIRONMENT (subprogramme 01)

96. *Follow-up on recommendations by the Committee on Environmental Policy at Special Session.* The Commission may wish to take a decision on action recommended by the Committee on Environmental Policy at its Special Session (ECE/CEP/8, para. 8(b)) as a follow-up to the report on problems and bottlenecks in the field of environment and sustainable development (ECE/CEP/12).

97. *Ratification of Conventions.* In addition the Commission may invite Governments to speed up the ratification of the conventions and protocol and to provide the necessary extrabudgetary funds to undertake without delay the EPRs.

TRANSPORT (subprogramme 02)

98. *Sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro).* Being once again informed of serious problems experienced on the Danube by vessels in transiting via the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro) as a result of the present procedure for

issuing transit licenses applied within the framework of implementation of the UN sanctions against this country, the Committee asked the Commission to consider this question again with a view to mitigating the problem.

STATISTICS (subprogramme 03)

99. *Statistical publications.* The Commission asked the Conference of European Statisticians to review the statistical publications in the ECE. A final report was submitted to the Conference of European Statisticians Plenary Session in June 1994 and was approved. The report is now being submitted to the Commission for its approval (ECE/CES/41).

100. *Fundamental Principles.* The Fundamental Principles of Official Statistics, as approved by the Commission were accepted unchanged by the United Nations Statistical Commission at its special session in April 1994 and were transmitted to all regional commissions.

TRADE FACILITATION (subprogramme 04)

101. *Re-engineering of WP.4.* During its thirty-eighth session, a seminar was held on the future role and policies of the Working Party, resulting in the establishment of an ad hoc group with the task of re-engineering the work of the Working Party. A final report from the ad hoc group will be submitted to the March 1995 session of the Working Party and to the Committee on the Development of Trade. It proposes structural and operational changes to WP.4.

ECONOMIC ANALYSIS (subprogramme 05)

102. *Resources needed to meet quality standards of decision B (46).* Consideration should be given to providing additional resources to the secretariat in order to maintain the "high quality observation and analysis" of the transition economies as called for in decision B (46) in the light of the sharp increase in ECE membership.

ENERGY (subprogramme 06)

103. *Energy Efficiency Protocol of the European Energy Charter.* As a follow-up to the decision taken during its third session "that every effort should be made to support the European Energy Charter Protocol on Energy Efficiency and related Environmental Aspects", the Committee requested the secretariat to pursue its consultation with the secretariat of the European Energy Charter on possible modalities for cooperation. Consultations were held with the Secretary-General of the European Energy Charter on legal and procedural aspects of possible cooperation. The Committee will be informed of progress made at its fifth session.

DEVELOPMENT OF INTERNATIONAL TRADE (subprogramme 07)

104. *Follow-up for study on trade in CITs.* When the fiftieth session of ECE considers the report on the decision C (49) study on ways to provide trade in the CITs, it will be important to allocate adequate resources for any follow-up work. The study identifies many specific measures, but it will be necessary to elaborate them in much more detail if they are to have a practical effect and directly benefit the CITs. This work would be beyond the scope of the current work programme and resources of the secretariat, and such

follow-up would require contributions from other PSBs, not only the Committee on the Development of Trade.

INDUSTRY AND TECHNOLOGY (subprogramme 08)

105. *Annual session requested for Working Party on Engineering Industries and Automation.* The Working Party on Engineering Industries and Automation requested the Commission to allow it to hold its sessions annually from 1995.

106. *Global Review of the European Iron and Steel Industry.* The continuation of the work of the Working Party on Steel, in close cooperation with the EC, the World Bank, EBRD, OECD, IISI, and the steel industry itself, on the Global Review of the European Iron and Steel Industry constitutes an important element of the Commission's work in the industry and technology sector, and could be seen as a model for similar cooperation in work on the chemical industry and engineering industries and automation.

107. *Contribution to the World Summit for Social Development.* The Commission, at its fiftieth session, may wish to recognize the United Nations sales publication Rehabilitation Engineering as one of ECE's contributions to the forthcoming World Summit for Social Development (Copenhagen, Denmark, 6-12 March 1995).

108. *European Forum on Sustainable Industrial Development.* The Group of Experts which met in response to decision A (49) to examine proposals to convene a European Forum on Sustainable Industrial Development recommended that the secretariat prepare an analytical document on the subject (IND/AC.1/3) and that a final decision on the convening of the Forum be taken by the Commission at its fiftieth session.

AGRICULTURE AND TIMBER (subprogramme 09)

109. *Reorganization of agriculture and timber activities.* The Executive Secretary will be taking all steps necessary for the required services to be reorganized following the termination of the joint ECE/FAO Agriculture and Timber Division, and to report to the Commission at its fifty-first session.

HUMAN SETTLEMENTS (subprogramme 10)

110. *Regional preparatory process for Habitat-II.* The Regional Preparatory Meeting for the UN Conference on Human Settlements stated that ECE should affirm its role in the regional Habitat II preparatory process by defining its contribution to Habitat II as a distinct element in its revised medium-term plan as well as in the work programmes of its relevant Principal Subsidiary Bodies.

111. *Cooperation in OECD and Council of Europe projects.* Close contact is also being maintained with the OECD's project on Ecological Cities and the Council of Europe's project on a Model of Sustainable Development for Urban Regions.

C. DIFFICULTIES ENCOUNTERED

112. Several general areas of difficulty are evident across the spectrum of the various subprogrammes.

Participation in ECE meetings of countries in transition

113. One is already well-known to our member States. That is the inability on the part of many of the countries in transition, in particular those of central Asia, to attend ECE meetings. In spite of clear indications of interest in trade and investment, industrial restructuring and other vital activities, expressed by a number of countries in transition, particularly the newly independent States, their participation in ECE meetings has been limited by scarcity of financial resources and lack of convertible currencies. Without region-wide representation at expert meetings and Principal Subsidiary Bodies, it is clear that one of the strong comparative advantages of the ECE, namely to bring together countries from both ends of the economic spectrum, meeting problems with solutions and answers, is compromised.

114. The secretariat is continually seeking ways to secure financing from member States and other sources - both for the organization of workshops and for funding the participation of delegations. To this end, the trust fund for assistance to countries in transition (TFACT) was established. There are, however, some constraints on the use of these funds. Current United Nations rules impose certain restrictions that prevent use of TFACT funds for regular meetings, limiting their use to assistance for workshops, seminars and other training-related events, as well as for conventions. To maximize the benefit of such funds, therefore, as far as possible and when there are sound and reasonable grounds for doing so, such training exercises and conventions are being scheduled to coincide with important meetings to facilitate participation of countries in transition.

115. Even for these limited uses of TFACT, however, contributions are still insufficient to meet the needs. In the case of environment and sustainable development, for example, at its twelfth session, the Executive Body for the Convention on Long-range Transboundary Air Pollution invited Parties to contribute temporarily to TFACT to facilitate the participation of countries from central and eastern Europe, while also encouraging parties, to the extent possible, to finance their own participation in the activities under the Convention. Although the Committee on Environmental Policy has received extrabudgetary funds from member Governments for the Trust Fund, earmarked for environmental activities to facilitate the participation of countries in transition in its activities, the sums are inadequate to the demand.

116. Member countries are therefore once more encouraged to contribute to TFACT and to pursue, in cooperation with the secretariat, creative ways to improve participation by these countries to assure a balanced dialogue and the usefulness of the ECE as a key forum for market integration.

117. PHARE and TACIS funds have to some extent been made available to meet this gap, notably in the area of statistics. This assistance has been offered irrespective of the involvement of the EU in the organization of any given statistical meeting. This is a most welcome example of the assistance that the secretariat would like to see extended to other activities.

Hosting of workshops and seminars by CITs

118. A related difficulty is the inability or lack of interest of countries to host and to fund workshops and seminars that have been planned and adopted in the work programme. An evaluation of the workshop programme has revealed that, while more ECE-organized workshops have been held or planned between the forty-ninth and fiftieth Annual Sessions than in any previous one-year period, more workshops are being held in fewer countries - both transition and full-market economy - and reduction in the availability of resources was registered. (See document E/ECE/1310). Since the endorsement of the programme by the Commission was made conditional on it being carried out within existing resources, the financial burden has fallen on those countries for whom it is primarily intended but who are often least able to supply the necessary resources.

119. For example, at the request of the governments of Albania and the FYRM, the secretariat was in the process of preparing two workshops on trade related issues, but due to financial constraints in the host countries, both have been postponed for an indefinite period. Also due to financial difficulties, the Polish authorities were unable to host the seminar on state policy in economies in transition aimed at promoting innovation in industry in 1993 or 1994 as planned by the Senior Advisers on Science and Technology (SAST). The Seminar was rescheduled to be held at the end of 1995, but the issue of financing is still unresolved.

120. The demand for workshops has nevertheless increased, supported by the decision of the forty-ninth session of the Commission to continue and to strengthen the programme. The value of the programme has been self-confirming and nearly 150 demand-driven workshops have thus far been organized under ECE auspices. The host country sustains the largest share of the financial aspects of the workshops, even when assisted by TFACT, the business community or government and private sponsors from market countries. It becomes, for some of these countries, increasingly difficult to maintain a sufficient level of support. Additionally, the Asian Republics which have become members only recently may be in even less of a position to support this activity on their own. The TFACT was set up to provide extrabudgetary resources to mitigate financial difficulties, but member State contributions to this fund have, to date, failed to adequately meet this need.

Increase in tasks without secured increase in resources: practical consequences

121. On the part of the secretariat itself. the main difficulties in programme delivery stem from the very large increase in membership with no increase in resources. As a result of the significant increase in the number of the countries in transition and the necessity to cover developments in this region, the resources available to the secretariat are insufficient to respond effectively to the new requirements.

122. The secretariat faces considerable difficulty in meeting the Commission's request for "high quality observation and analysis" of the economies in transition (decision B (46)). The number of economies in transition which need to be analysed has risen from 8 to 26. This has meant a commensurate increase not only in the required volume of economic analysis but also in the tasks of collecting and processing the necessary statistical data. Data

collection is a significantly more onerous task, and data editing now presents a burden many times greater than when the ECE had only 34 members just a few years ago.

123. The secretariat has increased its contacts with statistical offices in the countries in transition, has tried to improve cooperation with other international organizations, and has set up a joint unit to meet the increased demands for the collection and analysis of statistical data, as called for in decision 0 (45). Despite some progress in these directions, available resources of personnel, equipment and funds for travel and consultancies are inadequate to respond effectively to the new situation. Standards cannot be maintained in these circumstances, despite increased efficiency through new methods and the use of new technology. The Statistical Division is one among others seeking, on this basis, to discontinue some activities so that others can be maintained at acceptable levels of quality.

124. Among other programme elements that have suffered from the increased demands on diminishing resources is the publication of the guidelines prepared by the Working Party on International Contract Practices in Industry (WP.5) which has been delayed. Another is in the area of trade facilitation. Due to the demand for new EDIFACT Messages, the work to produce the EDIFACT directories has increased substantially. Thus, during 1994 the secretariat was unable to produce all the planned directories, and the Standards directory (S.94A) was cancelled. Efforts to produce EDIFACT directories are also hampered by a lack of travel funds. However, additional resources (in the form of one P-post) were made available during the fall of 1994, and the D.95A directory was produced as planned. These resources are expected to continue in 1995 enabling the secretariat to meet the demands of WP.4 with regard to EDIFACT directory production.

125. Other work items, suffering from lack of staff resources are, e.g., the updating of the UN Trade Data Elements Directory (UNTDED), the Code for Ports and other Locations (LOCODE) and the development of a model for the International Trade Transaction (ITT) and the Basic Semantic Repository (BSR). Additional resources are also needed to handle questions related to commercial procedures and to be able to promote best business practices.

Growing demand for operational activities requiring resources and travel

126. In addition to workshops and seminars, countries in transition are increasingly requesting technical assistance from the ECE. For example, in connection with UNFPA-supported research projects, assistance is being provided by the staff in charge of implementing the projects at the cost of failing to meet certain project deadlines, leading to delays in implementation. To help allay this difficulty, a request has been made in the submission for the 1996-97 budget for a regional adviser for population who could respond to this increased demand for assistance.

127. Financing is indeed one of the major constraints to meeting the growing demand, particularly for operational activities in all sectors, to assist economies in transition. To overcome this obstacle, cooperative arrangements with other organizations active in the region have to be further strengthened, including fund-raising activities.

128. It is equally true for all sectors that in order to cooperate effectively with other institutions to avoid duplication and to maximize human and overall resources, additional travel resources are necessary - an investment that would presumably be returned many fold in the form of increased programme efficiencies.

129. For example, in standardization work, cooperation with the European Commission and OECD should be further intensified through jointly sponsored projects. The ECE could serve as a platform for the extension of activities, which are already underway in developed economies, to the economies in transition. This could lead to greater harmonization of standards and regulations in different sectors across the ECE region, and related efficiencies.

130. Although the programme of work in the field of standardization and related activities can be carried out with the currently vailable resources, the Working Party on Standardization Policies noted that the lack of travel funds available for this programme presented problems in as far as the secretariat's ability to effectively follow-up on coordination and harmonization activities was concerned. The extremely low level of travel funds has also been cited by ECE statistical staff as preventing them from meeting counterparts in other organizations with whom they are trying to cooperate.

131. Additional professional posts are required to meet the increasing priority tasks, for example, for the extension of the Environmental Performance Review (EPR) programme to ECE countries which are non-members of OECD, and the further development of the "Environment for Europe" process, as a follow-up to the 1993 Lucerne Ministerial Conference. The Environmental Performance Review (EPR) programme will begin in 1996/1997, and it is expected that this activity will be supported by the regular budget. Additional professional and general service posts have also been requested in the submission for the 1996-97 budget to permit the secretariat to face this new responsibility as well as new tasks related to the Environment for Europe process. Delegations were invited to provide voluntary contributions in cash or in kind to strengthen the secretariat in servicing these new activities. Although the ECE has received extrabudgetary contributions from several member countries for the Estonian review and EPR capacity building activities, further funds are required for 1995/1996.

Administrative delays in recruitment jeopardize implementation of work programme

132. Apart from a shortage of posts, filling vacancies is also a problem. Difficulties for many programmes have arisen as a result of certain rigidities in the recruitment system which have meant that professional vacancies have normally persisted for at least a year, resulting in reduction of available resources. Administrative delays are often considerable and there are an increasing number of restrictions on the ability of ECE to choose, on substantive grounds, the most appropriate candidates for appointment. This is particularly important in maintaining the production schedule of the Economic Survey and Bulletin, which is critical to the timeliness of the analysis.

133. Another concrete example of disruption of work owing to recruitment delays is the protracted vacancy of the post of Timber Section Chief, which

has resulted in certain delays in the publication of studies of the Timber Committee. Otherwise, the activities under the programmes of work of the Committee on Agriculture and the Timber Committee have been generally conducted as scheduled. The priorities indicated by the Committee have served to guide the secretariat in adapting delivery to available resources.

134. The implementation of the regular programmes of work of the Working Parties on Steel and the Chemical Industry, to cite another example, were slowed down by the continued vacancy of two professional posts in 1994. A partial offset was provided by the trust fund "Industry - Structural Change and Development" (ISCAD), established to provide technical assistance to the countries in transition. Three experts were made available to the secretariat in 1994 from chemical and steel companies in Belgium, Japan and the Republic of Korea. The secretariat welcomes and encourages the supplementing of scarce UN resources in this way.

135. It is hoped that the recent decisions related to decentralisation taken by the Secretary General and the efforts toward simplification of procedures will speed up the recruitment process. The Executive Secretary had several encouraging conversations on this matter with the head of the Office for Human Resource Management and the head of Administration.

Conventions and legally binding instruments

136. There is sometimes difficulty in achieving consensus as to the modalities of legally binding international instruments. This is the case, for example, with regard to the incorporation into a legally binding international instrument of provisions on inland water transport using combined transport techniques, contained in Resolution No. 240 of the Inland Transport Committee. Such a legal instrument would establish standards for the development of combined transport on inland waterways.

137. Another example is the lack of consensus among member governments as to the upgrading to a legally binding European agreement (ADN) of the European provisions concerning the international carriage of dangerous goods by inland waterways. It was decided instead to set up an international working group for the future elaboration, in cooperation with the other interested organizations, of such a European agreement. The secretariat was invited to consult the Central Commission for the Navigation of the Rhine (CCNR), the Danube Commission (DC) and the Governments concerned to define as soon as possible the terms of reference and working modalities of such group as far as the elaboration of the agreement is concerned. In addition to a dramatic increase in the activities on the transport of dangerous goods and to insufficient secretariat resources to adequately cope with such an increase, the provisions which had been updated in 1993 as requested in decision F (48) could not be produced and circulated by the secretariat in 1994. Despite the various decisions by the Commission calling on member countries and the European Community to speed up ratification of the three new environmental conventions and protocols to the LRTAP, an insufficient number of ratifications has been submitted to New York over the last three to four years to assure the prompt coming into force of these conventions. While they nonetheless serve the purpose of setting standards, striving for convergence of relevant policies and providing conflict-prevention procedures, without the requisite ratification, they hold only the force of moral suasion and risk losing momentum.

138. The Inland Transport Committee stressed the importance of successfully concluding the restructuring of ADR as rapidly as possible and asked the RID/ADR Joint Meeting to ensure that the restructuring could come into effect on 1 January 1997 when the provisions of the Annexes to ADR would become applicable to domestic traffic operations.

Restructuring of FAO/ECE Cooperation

139. FAO's decision to restructure its cooperation with the ECE and its plans to withdraw some of its staff from the ECE/FAO Joint Unit at Geneva will entail certain adjustments for ECE's future work in agriculture and timber. FAO will implement the redeployment of its staff during the first semester of 1995.

140. In the timber and forestry area, FAO will place its Geneva staff under the responsibility of the FAO Liaison Office in Geneva, with a mandate to continue statistical publications (the Timber Bulletin), analytical studies and reviews of timber markets and forestry issues, and to service intergovernmental bodies in cooperation with its relevant headquarters units. The staff will continue to be hosted in ECE premises. Accordingly, no change is expected in the capacity of the UN/ECE secretariat, in cooperation with the FAO Liaison Office, to service the Timber Committee and its joint ECE/FAO subsidiary bodies and to implement their programme of work with a somewhat different administrative arrangement. Since the post of Director of the AGRI/TIM Division is being withdrawn by FAO, the management of the ECE Timber Section will be transferred to the Trade Division.

141. In the agriculture area, FAO will leave no staff in Geneva. Consequently, special arrangements are being made to service the Committee on Agriculture and its subsidiary bodies until 1 July 1995. Consultations with FAO as well as internal arrangements within the secretariat are in progress to ensure delivery of essential services for intergovernmental meetings to be held in the second half of 1995. FAO will assume responsibility for two publications thus far prepared by the Joint Division, namely the Review of Agricultural Trade and the Prices of Selected Agricultural Products and Inputs in Europe and North America. The ECE Statistical Division will continue to provide services to the joint FAO/ECE/CES Study Group on Food and Agricultural Statistics in Europe. The latter could be reestablished as a subsidiary body of the Conference of European Statisticians, without new implications in terms of the programme of work of this PSB. No additional resources would be required, as the Statistics Division already supplies the substantive inputs required for this Study Group. The Working Party on Standardization of Perishable Produce and Quality Development could similarly be reestablished as a subsidiary body of the Committee on the Development of Trade. The activities of the Working Party are directed towards the promotion and facilitation of international trade between and to UN/ECE countries and therefore directly relevant to the concerns of this PSB. The upgrading of one ECE post is being requested for the next biennium to replace the FAO post which has been servicing this activity. The future of the Committee on Agriculture, the Working Party on Relations between Agriculture and the Environment and the Working Party on Economics of the Agri-food Sector and Farm Management is under discussion. To maintain them, even with the promised substantive support from FAO, would require two additional posts in Geneva (one at the P and one at the G level).